



## **OPERATIONAL ALTERNATIVES: Facility Utilization and Motor Vehicle Management**

### **Motor Vehicle Management**

Motor Vehicle Management is currently located at 2200 Charlotte Avenue., and performs minor maintenance, including emission testing on dispatch and cabinet-level vehicles consisting of 314 units.

The Division of Motor Vehicle Management was established in 1972 with a small dispatch fleet consisting of 25 vehicles. Throughout the years, the division has continued to incorporate agency and departmental vehicles into its fleet and, today, the fleet consists of approximately 4,902 vehicles, ranging from subcompact sedans to 50,000-pound tandem road tractors. In 1993, the equipment revolving fund was implemented. The equipment fleet, including attachments, currently consists of 2,669 pieces of equipment.

The mission of Motor Vehicle Management is to provide the most efficient and economical ground transportation possible to the various departments and agencies of state government. In addition, the division is responsible for establishing and implementing rules and regulations for the acquisition, utilization, assignment, and maintenance of vehicles and equipment.

To manage these responsibilities, Motor Vehicle Management consists of four sections:

- ❖ Administrative
- ❖ Fleet Management
- ❖ Fleet Support
- ❖ Dispatch

MVM also manages the state employee vanpool program and the State Employee Shuttle Service that provides transportation from the employee parking lots to State buildings in downtown Nashville.



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### **Statutory and Constitution Objectives**

TCA 4-3-1105, Section 10 requires Motor Vehicle Management to study the use of state-owned vehicles and equipment and to establish rules and regulations for the housing, repair, and operation of such units.

### **Mandated and Optional Services**

#### **Dispatch Fleet**

MVM operates (TCA 4-3-1105) a fleet of dispatch units for use by certain state employees. This reduces expenditures to the State by offering affordable short-term transportation instead of reimbursing employees for utilizing their personal vehicles.

#### **State Fleet of Vehicles and Equipment**

MVM is responsible (TCA 4-3-1105) for purchase and maintenance of the State Fleet of Vehicles and Equipment for all state agencies with the exception of the DOT and other select agencies. This includes purchase, monitoring and reporting on Alternative Fueled Vehicles, and adherence to the Federal Clean Air Act for Metropolitan Areas of greater than 250,000 in population.



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### **Current Situation**

The present location at 2200 is an old TDOT facility that was moth balled in the late 1980's and re-opened in 1991 when MVM was forced to move from Rosa L. Parks Avenue (Old Royal Ford property on 8<sup>th</sup> Avenue) location to make way for the current Farmer's Market and Bi-Centennial Mall.

1) There are numerous problems with the 2200 Charlotte Avenue location:

- January 28, 2010 - (1) The building is old and falling down. Mold, mildew, mice, roaches, leaks, cold areas, and peeling paint was noted throughout the facility. When it rains, there are leaks on several floors, causing the drywall to bubble and peel, thus creating additional moisture and mildew. (2) As the building is old, one side was cited as unusable because of some asbestos. (3) Because of the age of the building and the previous use (TDOT), there is also a possibility of contamination from lead paint, PCB's (polychlorinated biphenyls), mercury, and CFC's chlorofluorocarbons.
- May 2010, With the great flood, building leaks in the main building were a major problem. In addition to standing water in sections of the building, the leaks caused the ceiling in the break area to collapse. As a result of the water intrusion, the building was shut down for 2 weeks because of high levels of moisture and resulting mold spores.
- March 2011. Not much has changed except that the building is older and continues to deteriorate. Leaking in various areas of the facility is still a problem. The building is functionally obsolete and beyond any budget consideration for repair. MVM should be relocated.



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### **Options**

#### Financial Considerations

- Sell the MVM Facility at 2200 Charlotte Ave. and explore options for relocating.

#### Relocation Considerations (Estimates)

##### Option 1: \$ 1,910,000

- Relocate dispatch lot to Lot #6 or Lot#27. - \$ 155,000
- Relocate garage operations and staff to TPS Property on Foster Avenue.- \$ 1,705,000
- Relocate MVM administrative/fleet support offices to the Capitol Hill campus area. - \$ 50,000

##### Option 2: \$ 1,410,000

- Relocate dispatch lot to Lot #6 or Lost#27. - \$ 155,000
- Relocate garage operations and staff to the PNG Building Maintenance/shop area.- \$ 1,205,000
- Relocate MVM administrative/fleet support offices to the Capitol Hill campus area.- \$ 50,000

##### Option 3: \$ 195,000

- Relocate dispatch lot to Lot #6 or Lot#27. - \$ 155,000
- Relocate MVM administrative/fleet support offices to the Capitol Hill campus area.- \$ 50,000
- Utilize local vendors for the maintenance/repairs required of the limited vehicles serviced by the current garage.

##### Option 4: \$ 168,000+utilities

- Seek a lease of an existing vacated Car Dealership in the Nashville area. Lease payments would need to be in the area of \$ 12,000-15,000 annually to be cost effective and require very limited Capital investment by the State.



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### **Recommendations**

- a. Currently only the Dispatch fleet (200 vehicles), Loaner fleet (20 vehicles), and MVM agency assigned vehicles in the Davidson County and surrounding area are serviced by the MVM garage. The bulk of MVM's Fleet of 4,800 vehicles statewide and 800 pieces of motorized equipment /attachments throughout the State are serviced by vendors and some TDOT garages. Based upon the cost versus the limited volume of MVM vehicles serviced at the MVM garage, the limited services provided (oil change, tires, fluids, and minor repairs), and the cost to relocate and build a facility, it is a better business decision to include the servicing of the limited fleet by the MVM garage to be performed by vendors.
- b. Procure a state-wide contract for vehicle maintenance and repairs. Currently, repairs and maintenance is procured as local purchases as no contracts have been established in the areas where the vehicles are located. By seeking a State-wide vehicle maintenance contract, it should result in better consistent service, provide more coverage statewide, and provide for consistent pricing in services needed.
- c. Place the entire 2200 Charlotte Avenue properties on the market for sale.
- d. Explore re-locating the MVM Dispatch Program to Lot #6 or Lot#27 of the State parking lots.
- e. Explore outsourcing the MVM Dispatch Program.
- f. Relocate the MVM administrative/fleet support offices to the Capitol Hill campus area.



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### **Benefits**

a) By contracting out for the in-house vehicle maintenance and repairs of the select group (325), the State will realize annualized savings by abolishing (7) positions.

- Salaries/benefits - \$ 241,400

b) By vacating the property located at 2200 Charlotte Avenue, the State will realize annualized savings by eliminating the following recurring costs:

a. Electricity	\$ 9,049
b. Gas	5,973
c. Water/sewer	7,162
d. Waste	4,024
e. Janitorial	10,217
f. Security	<u>90,000</u>
<b>Sub total</b>	<b><u>\$ 126,425</u></b>

**TOTAL**      \$ 367,825

c) By seeking a State-wide vehicle maintenance contract, it should result in better, more consistent service, provide more coverage statewide, and provide for consistent pricing in services needed for the fleet.